

Separating From Service but Not Retiring

Can I leave my money in the state retirement system?

When you separate from service you have two choices, you can withdraw your contributions or leave them in the system.

If you leave your money in the system:

- ✓ Your account balance continues to earn interest.
- ✓ Your service credit stays intact.
- ✓ If you are vested in a plan, you may receive a retirement benefit when eligible.

If you withdraw your money:

- ✓ You only receive your contributions plus interest. Employer contributions are not refundable.
- ✓ Federal law requires 20% withholding, unless you roll over your funds.
- ✓ You may be able to roll over all or part of your contributions to an IRA or eligible plan.
- ✓ You may be subject to an IRS 10% early withdrawal penalty if you are under age 59½.
- ✓ All service credit accumulated prior to your withdrawal is canceled.

What about other funds?

If you have money invested in retirement plans such as Plan 3 or the Washington State Deferred Compensation Program (DCP) you do not have to withdraw your funds. For more information, please contact the plans directly:

Plan 3 ICMA-RC: 1-888-711-8773
DCP: 1-888-327-5596

What if I return to service?

For Plan 1 and Plan 2, withdrawal of your retirement contributions cancels the service credit earned during the period the contributions were made. If you wish to restore the service credit, please read the member publication "Recovery of Withdrawn or Optional Service Credit", available on the DRS Web site.

What if I don't return to service?

If you leave your money in the retirement system, you may request to receive annual statements. Be sure to keep DRS informed of your address. You should contact DRS 60 to 90 days prior to the date you wish to retire. Federal law requires that you start receiving your benefit, or withdraw your funds, when you reach age 70½.

Where can I find more information?

Web site: www.drs.wa.gov
E-mail: recep@drs.wa.gov
Mail: Department of Retirement Systems
Post Office Box 48380
Olympia, Washington 98504-8380
Call: Toll free at (800) 547-6657 or (360) 664-7000 in the Olympia area

